Testimony of the New Jersey Institute for Social Justice Before the New Jersey Cannabis Regulatory Commission (NJ-CRC)

Dear Commissioners,

Thank you for the opportunity to submit this testimony.

The Institute uses cutting-edge racial and social justice advocacy to empower people of color by building reparative systems that create wealth, transform justice and harness democratic power – from the ground up – in New Jersey.

The Institute submits this testimony requesting that the New Jersey Cannabis Regulatory Commission (NJ-CRC) invest the social equity tax revenue from marijuana legalization in the following:

1. A statewide guaranteed income program;
2. A New Jersey baby bonds program;
3. Affordable housing for rental and homeownership;
4. Youth services & programs;
5. Community-based public safety options; and
6. Increasing access to our democracy.

We currently sit in a powerful moment in time in our state and nation’s history. The murder of George Floyd by law enforcement caused us to take a hard look at the structural racism that is built into our society’s foundation. From over policing to mass incarceration to economic harms to voter suppression, Black communities and other communities of color have borne the brunt of inequitable policies and practices for generations. And these injustices have only been heightened by COVID-19’s devastating impact on communities of color in New Jersey and nationwide. Thus, in this critical moment, New Jersey must take a stand to make racial justice a priority – not only in rhetoric but in practice.

Given the disproportionate harm that New Jerseyans of color, particularly Black New Jerseyans, have experienced from the criminal justice system’s enforcement of laws relating to marijuana, the Commission should direct the revenues generated by the sale of cannabis in the state toward repairing the harms of past policies in communities of color and creating a more equitable New Jersey in which race and zip code do not determine opportunity.

Today, New Jersey has some of the worst racial disparities in the nation – that were created by design through policy; thus, the state must make intentional policy decisions to close existing
gaps and create a more equitable future. Revenues from cannabis sales should directly seek to combat existing disparities by ensuring that communities of color in the state have the resources they need to thrive. In this moment of national racial reckoning, the recommendations outlined in this testimony are important steps for making Black lives matter in New Jersey and ensuring a more equitable Garden State for all.

Overview and Background

It is critical that as cannabis legalization plays out and future policy is determined, the state 1) closely monitor who benefits and what the impact of residual enforcement is on communities of color and 2) that the state listen to racial justice groups in the state who are advocating for socially just and reparative policies.

Revenue from the sale of cannabis presents a unique opportunity to address the historic harm that marijuana enforcement has caused to the Black community. New Jersey is home to stark racial disparities in criminal justice. Black people in the Garden State are three times more likely to have the police use force against them compared to white people (Raychaudhuri & Stirling, 2019). Black people are also disproportionately detained in county jails, accounting for 42% of all jailed individuals (Vera Institute of Justice, 2019, p. 1). Even though Black people are only 15% of the population according to the U.S. Census Bureau (2019), Black people account for 61% of individuals in Department of Corrections custody (New Jersey Department of Corrections, n.d.). Black youth are almost 18 times more likely to be incarcerated than white youth – the highest disparity rate in the nation (Rovner, 2021) – despite committing most offenses at similar rates (Rovner, 2016). Black adults are 12 times more likely to be incarcerated than white adults – again, the highest disparity rate in the nation (The Sentencing Project, 2021).

When it comes to marijuana enforcement, the racial disparities are equally profound. Years of unequal enforcement have resulted in disproportionate arrests for Black people despite both Black and white people using marijuana at similar rates (Rosmarin, 2017, p. 25). For marijuana possession in New Jersey in 2019, according to FBI data, Black people were arrested 12,572 out of a total 28,865 times, accounting for 44% of arrests (Federal Bureau of Investigation, n.d.). In a recent report by the Rutgers New Jersey State Policy Lab, researchers found that Black people were around four times more likely to be arrested for possession than white people (Menifield, 2022, p. 10). For marijuana sales and manufacturing in New Jersey in 2019, Black people were arrested 2,118 out of a total 4,585 times, or 46% – again, Black people are substantially overrepresented (Federal Bureau of Investigation, n.d.). Researchers calculated that Black people were approximately 4.5 times more likely to be arrested for selling marijuana than white people (Menifield et al., 2022, p. 35). The FBI’s 2020 New Jersey proportions were even worse, with Black people accounting for 46% of possession arrests and 50% of marijuana sale and manufacturing arrests that year (Federal Bureau of Investigation, n.d.). Marijuana arrests have
led to significant collateral consequences ranging from being denied public housing to employment limitations and even incarceration (Rosmarin, 2017, p. 16).

Given the alarming statistics and the history of discriminatory enforcement, the Commission’s charge to determine how revenue from the sale of cannabis will be spent in the state must be focused on reparative policies that specifically repair the harm of over-policing in Black communities in New Jersey. The social equity funds must promote economic and social justice in Black communities who have, in addition to facing disparate impacts in the criminal justice system, faced barriers to asset-building and divestment of resources just as predominately white families have experienced the benefits of numerous policies that helped support asset-building (Johnson et al., 2020). The following suggestions would make a substantial difference in repairing the harms of past policies and move the state forward towards social and racial equity.

**Statewide Guaranteed Income Program**

The Institute requests that the NJ-CRC create a targeted guaranteed basic income program that creates a foundation for ensuring secure and stable incomes for the most economically vulnerable people and families in our state.

Despite having one of the highest median household incomes in the nation at $85,751 (U.S. Census Bureau 2020), New Jersey is one of the most unequal states (Economic Policy Institute, 2016), with over one in five families with incomes less than $35,000 (Sullivan et al., 2021, p. 6). While the official poverty rate in the state was 9.2% in 2019, recent calculations suggest that about a third of the state’s population or almost 3 million people experience economic deprivation given our true cost of living in New Jersey (Legal Services of New Jersey, 2021, p. 11). The COVID-19 pandemic exacerbated the preexisting economic vulnerabilities of many families, increasing food insecurity (Community Food Bank of New Jersey, 2020, p. 1) and unemployment (U.S. Bureau of Labor Statistics, 2022). Overall economic volatility is also on the rise (Hardy, 2016). Families of color across the state have faced particularly dire straits during the pandemic, with Black and Latina/Latino employees particularly hard hit by wage and job losses (Lopez et al., 2020) and less likely to be able to work from home (Gould & Shierholz, 2020). Even before the pandemic, there were stark racial disparities in household wealth in the state: The median wealth for white families is approximately $322,500 compared to just $17,700 for Black families and $26,100 for Latina/Latino families as of December 2017 (Sullivan et al., 2022). These racial disparities – which were built over generations by policy – result in enormous disparities in families’ ability to meet basic needs as well as thrive financially in the long-term.

Utilizing cannabis revenues to create a state-funded guaranteed income program for economically vulnerable families could substantially increase economic stability for families in need and create an infrastructure to do more to tackle the rampant income and wealth inequality in the state in the future. Guaranteed income, sometimes also known as universal
basic income (UBI) when all community members are eligible (Center for Hunger-Free Communities, 2021, p. 1), addresses the primary root of poverty – not having enough income – by putting money directly into the hands of economically vulnerable recipients. Guaranteed income programs help stabilize families striving to make ends meet; research from a major guaranteed income pilot shows that basic income benefits are largely used to cover basic living expenses, like food and utilities (Stockton Economic Empowerment Demonstration, n.d.). Newark and Paterson, which are among the most populous cities in the state, have recently launched guaranteed income programs with support from the philanthropic community. Utilizing cannabis funds to support a statewide basic guaranteed income program could provide an important and sustainable source of income security for economically vulnerable families in the Garden State and help us to establish a new avenue to combat our state’s staggering economic inequality. After the establishment of several guaranteed income programs in cities across the country (Mayors for a Guaranteed Income, 2021), California recently became the first state to pass a state-funded guaranteed income program for young people leaving foster care and qualified pregnant people (Beam, 2021). In New York, the state is starting a guaranteed income program for artists called Creatives Rebuild New York, which will provide $1,000 per month with no strings attached so that artists participating in the program can focus on their creative work with a greater level of economic stability (Hansen, 2022). New Jersey and NJ-CRC have an important opportunity to build on existing momentum in this area and expand economic equity in New Jersey by creating a guaranteed income program. A statewide guaranteed income program would create a basic floor of economic security in the state and help economically vulnerable families, who are disproportionately families of color, weather the uncertainties of increasingly unstable and volatile incomes in our economy (Hardy, 2016).

**New Jersey Baby Bonds Program**

The NJ-CRC has a significant opportunity to tackle the intergenerational impacts of our past policies on today’s wealth disparities in the state by allocating social equity funds from the sale of cannabis to the creation of a New Jersey Baby Bonds program. Pending legislation in the New Jersey legislature (A1579/S768) would establish a New Jersey Baby Bonds program, which would give low-income newborns a savings bond that they will be able to use to create a financial head-start already available to so many of their wealthier peers (A1579, 2022). By giving low-income youth, who are disproportionately people of color, a financial endowment that they can access at age 18 for college, the purchase of a home or other asset building activities, a New Jersey baby bonds program will help them reach their full potential and promote economic equity in the state for the next generation. This initiative would disproportionately benefit young people of color, help to level the playing field for economically vulnerable young people, and contribute towards closing the state’s staggering racial wealth gap – a crucial goal for social and racial justice in our state.
While New Jersey was the first state to introduce legislation for a state-level baby bonds program after the Governor expressed support for the idea in August 2020, Connecticut became the first state to *pass* a statewide baby bonds program in 2021 (Thomas, 2021). The New Jersey legislation has faced barriers to passage due to the need for sustainable funding for the program. Fees from cannabis sales in the state could provide crucial sustainable funding for this transformative program. The current legislation would provide $2,000 to newborns whose family incomes were up to 200% of the federal poverty line (FPL) at birth and requires a $70 million annual appropriation (A1579, 2022). We estimate that an even more robust program, following Connecticut’s model, that provides babies $3,200 at birth, with automatic eligibility through Medicaid, would cost less than $90 million annually. With the program currently being implemented, Connecticut policymakers estimate that eligible young people will have about $11,000 in their baby bonds at age 18 (Skahill, 2021). A New Jersey baby bonds program will open up new pathways for youth of color, directly combatting social inequities established by previous policies. With funding from cannabis sales, the state has an opportunity to create a robust baby bonds program for New Jersey and make history by investing in a more equitable future. By working with legislative sponsors, the Commission could establish an even stronger baby bonds program with dedicated and sustainable funding through cannabis sales that exceeds the impact of the Connecticut program and leads the way nationally on reparative policies that invest in equity.

**Affordable Housing for Rental and Homeownership**

The Institute respectfully requests that you prioritize social equity funding for affordable housing in the state for both rental and homeownership opportunities in order to ensure that all families have a safe affordable place to call home and that more families of color can access the wealth-building opportunities available through homeownership.

The COVID-19 pandemic has exacerbated a long-standing shortage of affordable housing in the Garden State. Ensuring families have safe, stable and affordable housing was imperative before the pandemic. It is even more critical now and will continue to be a great need for the state moving forward given the extremely large gap between the availability of and need for affordable housing in the state (Nieto-Munoz, 2022). We appreciate the state’s commitment to preserving the Affordable Housing Trust Fund (AHTF) in recent years and the other crucial affordable housing investments in the Governor’s proposed budget for the 2023 fiscal year (State of New Jersey, 2022b). The cannabis social equity funds provide an additional opportunity to further invest in affordable housing to address New Jersey’s enormous affordable housing shortage — an effort which must be sustained over time to truly address the ongoing needs for both affordable rental and homeownership options.

Almost 90 percent of New Jerseyans in a recent survey indicated that housing costs are a very serious or somewhat serious problem (Rutgers University, 2021). Additionally, almost half of
New Jersey low-income renters (46%) are cost-burdened, paying more than 30% of their income on housing, while over 80 percent of renter households with extremely low and very low incomes are cost burdened (National Low Income Housing Coalition, n.d.). The state has a shortage of over 200,000 rental homes for extremely low-income renters (National Low Income Housing Coalition, n.d.). Thus, we request cannabis revenues be used for affordable housing development to build on the crucial recent expansion of efforts in the state to ensure that we truly have enough resources to address the huge shortage of affordable housing for renters in New Jersey.

In addition to the dire need for affordable rental housing, the Institute’s recent report, Making the Two New Jerseys One: Closing the $300,000 Racial Wealth Gap in the Garden State, highlights the stark racial disparities in homeownership in the state, with a homeownership rate of 75.9% for white residents compared to 38.4% for Black New Jerseyans (Sullivan et al., 2021, p. 11). Increased affordable housing development is imperative for Black and Brown families to access more affordable homeownership opportunities. With housing prices for purchase rapidly rising during the pandemic (Lahr, 2022), the need for expanded affordable homeownership opportunities in the state is crucial for closing racial homeownership disparities and helping to close the racial wealth gap. Thus, we respectfully request that the Commission make funds from the sale of cannabis available for the development of affordable homes that will increase home ownership opportunities, particularly for families of color.

**Youth Services & Programs**

The Institute respectfully requests that the NJ-CRC invest cannabis revenue into funding youth services and programs. New Jersey’s youth justice system disproportionately incarcerates Black youth, wastefully spends $445,504 per youth, per year on youth prisons that are largely empty, fails to rehabilitate and is dangerous. New Jersey must close its youth prisons and reinvest funds into a community-based system of care for our most vulnerable youth. This is an opportunity for New Jersey to invest in programs to prevent youth from entering the youth justice system at all, while also helping justice-involved youth re-enter their communities and provide them with the skills necessary to thrive.

An example of a program which accomplishes these goals is the Restorative and Transformative Justice for Youths and Communities Pilot Program, which was signed into law in August 2021 (Symons, 2021). This program appropriates $8.4 million for the creation of a two-year pilot program which will establish enhanced reentry wraparound programs and community-led restorative justice hubs in four cities disproportionately impacted by youth incarceration (New Jersey Legislature, n.d.). The hubs will be a place where youth can build healthy relationships in the community and resolve conflict in a constructive manner. Additionally, the hubs are a place to connect youth and families to an emergency reentry program. Cannabis revenues can be used
to expand similar programs statewide so that youth in all impacted communities can receive these services.

The NJ-CRC should also invest in youth mental health programs. The Institute worked with communities across the state to identify critical gaps in youth mental health needs. Using these findings, the Institute released a mental health toolkit, *Investing in Youth and Not Incarceration*, which provides a roadmap for how critical mental health services – such as mental telehealth hotlines – can be included both within the restorative justice hubs and in the community more generally (New Jersey Institute for Social Justice, 2021). One major finding of our assessment was the unfortunate reality that lack of medical insurance and long wait times for counseling appointments are barriers to care for some youth (New Jersey Institute for Social Justice, 2021, p.7-11). Lack of technology access and telehealth lines for mental health issues short of suicidality also represent additional barriers (New Jersey Institute for Social Justice, 2021, p.7-8). An infusion of funds into these programs will ensure that youth can get the timely lifesaving mental health treatment they deserve.

**Community-Based Public Safety Options**

The Institute also respectfully requests that the NJ-CRC invest revenue into community-based public safety programs which have been successful in decreasing violence while providing treatment that meets the actual needs of community members.

Specifically, cannabis revenue should support community-based anti-violence programs. As we outline in our recent report, *Refunding Communities*, these programs have trusted messengers who know their communities, know all the players and will work to disrupt violence before it occurs (Lewis et al., 2021). For example, after the Newark Community Street Team, a community-based anti-violence program, was founded in 2015, Newark had a decrease in crime culminating with a “30-year low in homicides and a 50-year low in overall crime” (Leap et al., 2020, p. 51). In New York City, the operations of CURE Violence, another anti-violence program, resulted in a 37% decrease in gun injuries and a 63% decrease in shooting compared with a 29% decrease and 17% decrease in a comparable neighborhood without CURE Violence (Cure Violence Global, 2021, p. 10). Governor Murphy recently took a positive step in pouring millions of dollars into community-based violence-interrupter programs (State of New Jersey, 2022a). We believe more can be done to fund these critically needed programs.

Also, the NJ-CRC should fund mental or behavioral health first responder pilot programs, which will send clinically trained professionals, rather than armed police officers, into the streets to treat those in need. These programs have been successful nationwide. The CAHOOTS program based in Eugene, Oregon, for more than 30 years (Beck et al., 2020), has served people in the throes of “mental illness, homelessness, and addiction” without requiring police intervention (White Bird Clinic, 2020). Out of 24,000 cases across a year, CAHOOTS has only called in law
enforcement for 150 cases, representing a mere 0.6% of the yearly caseload (White Bird Clinic, 2020). In the Harlem neighborhood of New York City, the B-HEARD pilot has been successful in treating people on the scene for behavioral health issues rather than having law enforcement unnecessarily bring them to the hospital (City of New York, 2021, p. 1). Variations of mental health first responder models have expanded in areas of New Jersey – most recently, in Cumberland County (Walsh, 2021). The Institute believes that New Jersey needs to prioritize programs that provide treatment to those in need while minimizing the footprint of police. Cannabis funds represent an opportunity to expand these programs state-wide.

**Increasing Access to Our Democracy**

As we consider how to reinvest in communities most harmed by the drug war and the criminalization of marijuana, we must ensure that our investment also allows these communities to ensure their representatives are responsive to their concerns. We urge the NJ-CRC to invest some of the cannabis funds to fortify and expand our democracy, and in particular, make access to the ballot easier for Black and Brown communities.

In 2020, people on parole and probation had their right to vote restored in New Jersey – a historic event given that New Jersey began to deny people with criminal convictions the right to vote in 1844. It is crucial that they have a chance to participate in our democracy and elect officials who best represent their interests. However, though they have the right to vote, many remain unregistered, likely because they are not aware their rights have been restored (Lewis & Rodriguez Calderón, 2021). New Jersey should invest in a public education and registration campaign to address this issue.

The state should also invest in expanding automatic voter registration (AVR). Pursuant to N.J.S.A. 19:31-6.14, New Jersey should expand the number of government agencies that can “automatically and electronically transmit[] voter registration information to the Secretary of State of persons who are eligible to vote for the purpose of registering such persons to vote or updating their voter registration,” beyond the Motor Vehicle Commission (MVC). Specifically, the state should expand AVR to the Department of Corrections (DOC) and the New Jersey State Parole Board, so that people in prison who are on the brink of release may register easily (New Jersey Election Protection Coalition, 2021). New Jersey should also expand AVR to Medicaid, as other states have done. Medicaid interacts with over a million adults (Department of Human Services, 2022), who are disproportionately Black and Latina/Latino given New Jersey’s significant economic disparities by race/ethnicity and the racial wealth gap. Many of these individuals may not have drivers’ licenses and therefore would not have need to engage with MVC (New Jersey Election Protection Coalition, 2021).

Removing barriers to registration is not enough, however. New Jersey must also invest in eliminating barriers to casting a ballot. New Jersey should invest in incentives to require
employers to provide paid time off to vote. While some employers provide time off for their employees to vote, it is dependent on the employer. The right to vote — without barrier — should not be determined by the type of job a person has. Hourly workers — who are often Black and Brown in New Jersey — should also have this benefit (Patel et al., 2020).

Finally, we urge the NJ-CRC to schedule more public hearings. To have a healthy democracy, we must provide sufficient opportunity for people to actively participate in this process – where you hear from residents about how best to use state funds. The most recent redistricting process had the most public hearings in New Jersey history and people from every corner of the state responded to the increased opportunity by raising their voices. We urge you to hold at least 12 hearings, and to schedule them on nights and weekends.

**Conclusion**

We thank you for the opportunity to provide input to the NJ-CRC on the most impactful ways to spend social equity funds. The state has a significant opportunity to repair the harms of past policies, particularly relating to the enforcement of marijuana laws, that have disproportionately harmed Black communities and other communities of color. We respectfully request that you focus spending on initiatives that will help to close the racial wealth gap, including a statewide guaranteed income program, a New Jersey Baby Bonds program, affordable housing for rental and homeownership, youth services and programs, community-based public safety options and investments that will make our democracy in the state more inclusive, particularly for people of color, who have disproportionately faced barriers to participation in our democracy. This is what racial justice requires in this powerful moment in time.

**References**


